

Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 NEAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07

PA-04 RSC-01 PRS-01 SP-03 SS-20 EUR-25 HEW-08 AID-20

CU-05 SCI-06 EB-11 TRSE-00 SAM-01 CIEP-03 AGR-20

COME-00 CPR-02 SY-04 STR-08 DRC-01 /191 W

----- 020903

O 091325Z AUG 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC IMMEDIATE 8264

C O N F I D E N T I A L SECTION 1 OF 2 CAIRO 6010

E.O. 11652: GDS

TAGS: PFOR

SUBJ: ECONOMIC ASPECTS OF FAHMY VISIT TO
WASHINGTON

REF: STATE 172730

1. SUMMARY: SET FORTH BELOW ARE OUR COMMENTS ON REFTEL
ALONG WITH SOME ADDITIONAL THOUGHTS ON STRENGTHENING
DRAFT COMMUNIQUE TO BE ISSUED AT CONCLUSION FAHMY'S VISIT.
IN ITS PRESENT FORM. EGYPTIANS ARE LIKELY TO QH DIS-
APPOINTED AS THESE SUGGESTIONS SUPPLEMENT
PERTINENT MATERIAL ALREADY SUBMITTED. WHILE MINDFUL OF
OUR LIMITED ABILITY TO HELP AT THIS TIME, BELIEVE WB SHOULD
TAKE ANOTHER LOOK AT FINDING POSSIBLE CONCRETE RESULTS,
HOWEVER MODEST, THAT MIGHT BE ANNOUNCED FOLLOWING
UPCOMING USG-GOE TALKS IN WASHINGTON. END SUMMARY.

2. REFTEL APPEARS TO HAVE CROSSED WITH OUR SEVERAL
TELEGRAMS OF YESTERDAY (5914, 5941, 5965, 5971)
HAVING DO WITH EGYPTIAN PLANNING FOR UPCOMING
WASHINGTON ECONOMIC TALKS. IT WILL BE CLEAR FROM
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OUR MESSAGES THAT EGYPTIAN HOPES AND EXPECTATIONS RE

WHAT SHOULD EMERGE FROM THESE TALKS ARE CONSIDERABLE GREATER THAN WHAT WE ARE LIKELY TO BE ABLE TO PRODUCE. AS BEFORE SIMON VISIT, WE HAVE SOUGHT TO INJECT AN ELEMENT OF REALISM INTO EGYPTIAN THINKING AS TO WHAT MIGHT BE POSSIBLE, BUT EGYPTIAN REACTION IS LIKE WATER ROLLING OFF A DUCK'S BACK. WE RECOGNIZE THAT DRAFT COMMUNIQUE REPRESENTS EXTENT TO WHICH WE ARE ABLE TO GO AT THIS TIME, BUT IT INEVITABLY FALLS SHORT OF EGYPTIAN EXPECTATIONS AND THERE WILL BE DISAPPOINTMENT THAT NOTHING MORE TANGIBLE COULD BE OBTAINED BY SO EXTENSIVE AN EGYPTIAN ECONOMIC DELEGATION. A GREAT DEAL OF HANDLHOLDING WILL BE NECESSARY ON OUR PART TO PLACE MATTER IN PROPER PERSPECTIVE FOR EGYPTIAN VISITORS.

3. WHILE WE ASSUME FAHMY WILL BE SENDING HIS REACTION TO REFERENCE MESSAGE, INCLUDING PROPOSED JOINT COMMUNIQUE, WE SUBMIT A FEW OCERVATIONS FOR DEPARTMENT'S CONSIDERATION. SPECIFICALLY:

A. WE SUGGEST THAT THE FINAL SENTENCE OF PARA 5 REFTEL BE CHANGED TO READ, "...THE SECRETARY AND THE FOREIGN MINISTER ENDORSED.." RATHTER THAN "APPROVED." THE LATTER TERM MAY NOT BOTHER FAHMY, BUT IT WILL GIVE OFFENSE TO HEGAZY. HEGAZY MADE IT VERY CLEAR DURING TALKS WITH SECRETARY SIMON THAT HE DID NOT WISH TO PLACE HIS NAME ON ANYTHING WHICH WOULD THEN BE "APPROVED" BY A LOWER RANKING OFFICER OF HIS CABINET.

B. RE PARA 8A, IT MIGHT BE USEFUL TO INDICATE THAT THE SUBMCOMMITTEE ON SUEZ CANAL RECONSTRUCTION WILL MEET IN CAIRO OR IN ISMAILIA SO THAT SCA CHAIRMAN MASHOUR CAN PARTICIPATE. WE REITERATE OUR EARLIER RECOMMEHDATION, MOREOVER, THAT THIS DUBMCOMMITTEE (FORMERLY JWG) BE DIVIDED INTO TWO SUB-ELEMENTS, ONE DEALING WITH SUEZ CALRUAND INVOLVING SCA; THE OTHER DEALING WITH SUYY CANAL CITIES RECONSTRUCTION AND INVOLVING OSMAN. HOWEVER DESIRABLE CLOSE LIAISON BETWEEN THE TWO MAY BE, EACH PREFERS TO GE HIS OWN WAY AND WE COULD CAUSE PROBLEMS FOR OURSELVES IF WE FAIL TO RECOGNIZE THIS.

C. RE PARA 8B, COULD NOT THE SUBCOMMITTEE ON FOREIGN TRADE AND INVESTMENT MEET IN WASHINGTON DURING CONFIDENTIAL

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THE PERIOD OF THE FAHMY DELEGATIOB GHS81V IF SUCH A MEETING IS DELAYED EVEN TO "AN EARLY DATE" IT MEANS EGYPTIAN OFFICIALS WILL AGAIN HAVE TO GO TO WASHINGTON. IF THEY CONCLUDE NOTHING MEANINGFUL COMES OUT OF UPCOMING MEETING, WE MAY FIND THEM RELUCTANT TO DO SO. SINCE APPROPRIATE GOE OFFICIAL SARE WITH FAHMY, IT WOULD APPEAR USEFUL TO SEIZE UPON THIS AND ORGANIZE SUCH A MEETING.

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INFO OCT-01 ISO-00 EUR-25 NEAE-00 SSO-00 NSCE-00 USIE-00

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C O N F I D E N T I A L SECTION 2 OF 2 CAIRO 6010

D. RE PARA 8C, GOE AGRICULTURAL PEOPLE KNOW--
OR THINK THEY KNOW--THEIR CRITICAL PROBLEMS AND THEIR
EFFECT OF THESE ON AGRICULTURAL OUTPUT AND MARKETING.
MINAG WILL TAKE LITTLE SATISFACTION FROM SUGGESTION
OF A NEW ANALYTICAL STUDY. IF AT ALL POSSIBLE,
SOMETHING MORE TANGIBLE IS DESIRABLE. IN THIS
CONNECTION, WE HAD PLANNED TO PRESENT MATERIAL ON
PESTICIDES CONTAINED IN STATE 170073 TO MINAG HERE.
INSTEAD OF OUR DOING SO, PERHAPS THIS MIGHT BE DONE
IN WASHINGTON DURING FAHMY'S VISIT SO THAT AGRI PARA
CAN AT LEAST BE "GAMUSED-UP" BY SOME TANGIBLE OFFER
OF HELP--HOWEVER MODEST IT MAY BE. PLEASE LET US
KNOW DEPT'S REACTION TO THIS SUGGESTION.
E. RE PARA 8D, SOME OF SOME COMMENTS INDICATED
ABOVE APPLY. EGYTIANS WILL BE
DISAPPOINTED.
F. RE PARA 9, WE ASSUME THAT
THE TWO FOLD
INCREASE IN RESEARCH ACTIVITY REFERS TO THE SD
R
PROGRAM JBX HAS DE

SFMTW WDVY RTLRAMS FOR FY JUTQ ALREADA

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OCVEPRESENT ZZUBLPURROVER FY '75. FY'75 PROGRAM
STALLED WHILE AWAITING MFA APPROVAL PER FAHMY'S
REQUEST. IT WOPPD BE HELPFUL IN OQUE REGARD IF FAHMY'S
SPECIFIC APPROVALSOULD BE OBTAINED TO PUSHI
M HISDMFA
PEOPLE (PREFERABLY SHORTCUTTING CUMBERSOME GOE BUREAUCRACY)
TO OBTAIN EXPEDITIOUSLY FORMALY GOE CONCURREBCE ONMO
OJEC
. SEE
CAIRO 5853 ON THSI POINT.

G. RE PARA8910 ON JWG ON MEDICAL COOPERATION,
THIS AGAIN IS VERY THIN GRUEL. COULD WE NOT
STRENGTHEN PARA BY SOME GENERAL INDICATION THAT USG
IS PREPARED TO STUDY HOW IT CAN ASSIST IN DEVELOPING
POST GRADUATE MB
ICAL FACILITY AT NASSER DIABETIC
INSTITUTE. THIS IS A PROJECT THE MINISTER OF HEALTH
HAS SPOKEN TO US ABOUT SOME MONTHS AGO (CAIRO 3145,
PARA 3) AND IN WHICH HIS INTEREST CONTINUES. WE HAVE
RECENTLY DISCUSSED SUBJECT WITH A VISITING OFFICIAL
OF THE ASSOCIATION OF AMERICAN MEDICAL COLLEAGES, WHO
INDICATED THAT A) PROJECT IS A GOOD ONE AND B) THAT
HIS ORGANIZATION WOULD BE PREPARED TO ASSIST IN
RECRUITING AMERICAN MEDICAL PROFESSORS AND STAFF,
BUT C) HIS ORGANIZATION HAS NO MONEY OF ITS OWN.
IN OUR VIEW, A FEW MILLION DOLLARS WOULD BE WELL SPENT
ZF THIS PROJECT. THE BUILDING FTSELF IS ALREADY IN
EXISTENCE.

H. RE PARA 11, STATE OF DEPT OF ANTIQUITIES
THINKING ON TUTANKHAMEN EXHIBIT HAS BEEN REPORTED
IN CAIRO'S 5889. THDRE IS NO EVIDENCE THAT

MFA HAS DISCUSSED SUBJECT WITH DEPT OF ANTIQUITIES.

4. HOPE GENEROUS COMMITMENTS ON PL 480 ON WHEAT AND
OTHER COMMODITIES LISTED CAIRO 5971 CAN BE ANNOUNCED
DURING FAHMY'S VISIT. THIS WOULD HELP A GREAT DELA.
CAIRO 5743 CONTAINED OUR RECOMMENDATION REGARDING
CCC CREDITS FOR CBACCO.

5. CONCUR THAT WE SHOULD RETAIN AS MUCH FLEXIBILETY AS POSSIBLE
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S REPRESENTATION ON SEVERAL JWGS
AND THAT VENUE FOR SOME MIGHT USEFULLY BE IN WASHINGTON.
WE ARE CONCERNED, HOWEVER, THAT JWGS PERMANENTLY
MEETING IN WASHINGTON COULD BECOME MORIBUND, PARTLY
BECAUSE OF INADEQUATE
Y
GYPTIAN REPRESENTATION. FACT
IS TNT ACTION ON EGYPTIAN ECONOMIC DEVELOPMENT ACROSS
THE BOARD TAKES PLACE IN CAIRO. IN TERMS OF EFFECTIVE-
NESS, WE CONTINUE TO BELIEVE JWGS AND MOST SUBCOMMITTEES
SHOULD MEET HERE EVEN IF THIS MEANS HAVE TO DEPLOY
US TDY PERSONNEL FOR EXPERT PARTICIPATION.

RE OPERA HOUSE, AS REPORTED CAIRO A-86, JULY 29,
QURNX FRG CONTINUES TO BE INTERESTED. RECOMMEND AS A
MATTER OF COURTESY THAT WE CONSULT WITH FRG, WHETHER
IN WASHINGTON, BONN OR CAIRO MAKES NO DIFFERENCE,
BEFORE RECRUITING US EXPERT. US EXPERT MIGHT BE SENT
VIAGERMANY TO CONSULT WITH PROFESSOR BORNESMANN, ALTHOUGH
MIN RECONSTRUCTION OSMAN HAS TOLD ME HE PERSONALLY
PREFERS AN "AMERICAN ARCHITECT" RATHER THAN A GERMAN
(CAIRO 5682). RE QUERY ON PRESENT PHYSICAL CONDITION
OF OPERA HOUSE SITE AND STRUCTURAL REMNANTS, THERE ARE
NO RPT NO STRUCTURAL REMNANTS. EVERYTHING HAS BEEN
RAZED AND THE PROPERTY IS NOW BEING USED AS AN
OPEN PARKING LOT.
EILTS

NOTE BY OC/T: CAIRO 6010 SECTION 2 OF 2 TEXT GARBLED.
CORRECTION TO FOLLOW.

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